



PORTS INDUSTRY GUIDELINE NO. 2 REGULATORY ACCOUNTS

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1. NATURE OF THE GUIDELINE

1.1. Introduction

1.1.1. This Guideline provides for the collection, allocation and recording of business data by a **Regulated Operator** with respect to the provision of **Regulated Services** in **Proclaimed Ports**. The Guideline is issued pursuant to Section 42 of the **MSA Act**.

1.1.2. The **Commission** will collect and use information resulting under this Guideline in accordance with Part 5 (“Collection and Use of Information”) of the **ESC Act**.

1.1.3. The **Commission** has followed the following guiding principles in the development of this Guideline.

1.1.3.1. Primary principle

1.1.3.1.1. The Guideline will provide for the collection of reliable and verifiable information that can facilitate the successful administration of the **Ports Access Regime**, with particular emphasis on (in order):

- ▲ arbitration of disputes;
- ▲ conciliation of disputes; and
- ▲ conduct of the Ports Access Review.

1.1.3.1.2. The information collected under this Guideline should help to reduce the likelihood of an access dispute reaching arbitration, thus making the administration of the **Ports Access Regime** more efficient.

1.1.3.1.3. Note that “successful administration” means administration that achieves the objectives of the **Ports Access Regime**. It includes, but is not limited to, the interests of the **Commission** and of **Regulated Operators**.

1.1.3.2. Other principles

1.1.3.2.1. Streamlining – the Guideline should provide a framework that lends itself to the collection of other information that is or may be required as part of port regulation.

1.1.3.2.2. Efficiency – the Guideline will collect relevant information and should seek to do so by the simplest means available (avoiding



unnecessary administration costs being incurred by **the Commission, Regulated Operators, Access Seekers** and an **arbitrator**).

1.1.3.2.3. Risk based – the Guideline seeks to collect more information up-front for regulated services with a higher risk of dispute, and less in areas of lower risk of dispute.

1.1.3.2.4. Non-prescription – the Guideline prefers a non-prescriptive approach, if that is compatible with the other principles.

1.2. The purpose of the Guideline

1.2.1. The legislative and regulatory framework for the **Ports Access Regime** describes certain objectives and functions for the **Commission** and certain obligations of **Regulated Operators**. These are summarised below. This Guideline sets out a mechanism for the collection of information and certain recurring substantive information requirements, to assist the **Commission** and **Regulated Operators** to fulfil their objectives and functions.

1.2.1.1. Regulatory objectives and functions

1.2.1.1.1. Section 6(1) of the **ESC Act** states that in performing its functions, the **Commission** must have as its primary objective protection of the long term interests of South Australian consumers with respect to the price, quality and reliability of essential services; and

1.2.1.1.2. at the same time have regard to the need to:

- ▲ promote competitive and fair market conduct;
- ▲ prevent misuse of monopoly or market power;
- ▲ facilitate entry into relevant markets;
- ▲ promote economic efficiency;
- ▲ ensure consumers benefit from competition and efficiency;
- ▲ facilitate maintenance of the financial viability of regulated industries and the incentive for long term investment; and
- ▲ promote consistency in regulation with other jurisdictions;

1.2.1.1.3. The **Commission** anticipates that to do this it will have certain information needs to meet its general regulatory role in relation to **Maritime Services**.

1.2.1.1.4. Section 3 of the **MSA Act** sets out its objectives, being to:

- ▲ provide access to **Maritime Services** on fair commercial terms;
- ▲ facilitate competitive markets in the provision of **Maritime Services** through the promotion of the economically efficient use and operation of, and investment in, those services;
- ▲ protect the interests of users of **Essential Maritime Services** by ensuring that regulated prices are fair and reasonable having regard to the level of competition in, and efficiency of, the regulated industry; and
- ▲ ensure that disputes about access are subject to an appropriate dispute resolution process.

1.2.1.1.5. Section 43 (2) of the **MSA Act** requires the **Commission** to undertake a review, the Ports Access Review, of the industries subject to the **Ports Access Regime** to determine whether the access regime should continue beyond each prescribed period.

1.2.1.2. The role of this Guideline

1.2.1.2.1. Section 42 (1) of the **MSA Act** requires the **Regulated Operator** to keep separate accounts and records for **Regulated Services**. Such accounts and records are referred to here as the “**Regulatory Accounts**”.

1.2.1.2.2. Section 42 states:

Accounts and records relating to the provision of regulated services

42. (1) A **Regulated Operator** must keep accounts and records relating to the provision of regulated services separately from accounts and records related to other aspects of the business or businesses carried on by the operator.
- (2) If **Regulated Services** are provided at different ports, separate accounts must be kept for each port.
 - (3) The accounts and records must be prepared and maintained in accordance with guidelines issued by the **Commission**.
 - (4) A **Regulated Operator** must, at the request of the **Commission**, make the accounts and records available for inspection by the **Commission**.



1.2.1.2.3. It is the role of this Guideline to set out how the obligations and requirements of **Regulated Operators** under Section 42 of the **MSA Act** will be met.

1.2.1.2.4. This Guideline's content:

- ▲ details the nature of information that the **Commission** requires to meet its needs;
- ▲ explains the way in which a **Regulated Operator** must prepare separate accounts and maintain its accounts and records for the purposes of Section 42 of the **MSA Act**; and
- ▲ outlines a mechanism by which this and any other information that may be required by the **Commission** to fulfil its obligations and functions, may be collected.

1.2.1.2.5. This Guideline is in the nature of a minimum requirement. The obligation of a **Regulated Operator** to comply with this Guideline:

- ▲ is additional to any obligation imposed under any other law applying to a **Regulated Operator's** business; and
- ▲ does not derogate from such an obligation.

1.3. Definitions and Interpretation

In this Guideline:

- 1.3.1. words and phrases presented in a bold italic font **such as this**, are defined for the purposes of interpreting this Guideline, in the attached glossary. The glossary seeks to provide clarity and reduce the risk of ambiguity in the interpretation of the Guideline's requirements; and
- 1.3.2. the words "*shall*" and "*must*" indicate mandatory requirements, unless the overall meaning of the phrase in which one of these words appears is otherwise.
- 1.3.3. This Guideline seeks to provide definitions consistent with those given in the **MSA Act** and the **ESC Act**. Where words and phrases are not defined in the glossary, they shall have the meaning given to them by the **MSA Act** and the **ESC Act** or any other relevant legislative or regulatory document.
- 1.3.4. Explanations in this Guideline about why certain information is required are for guidance only. They do not limit in any way the **Commission's** objectives, functions or powers.

1.4. Confidentiality

- 1.4.1. The **Commission's** obligations regarding confidentiality and the disclosure of information provided to it by a **Regulated Operator** are governed by:
- ▲ Part 5 of the **ESC Act**, and
 - ▲ Section 28 of the **MSA Act**, in the case of an arbitration.
- 1.4.2. Information collected shall not be disclosed unless in accordance with the provisions of the sections in the above mentioned Acts.

1.5. Processes for Revision

- 1.5.1. The **Commission** proposes to amend and expand the Guideline from time to time where this may be necessary to meet the needs of a **Regulated Operator**, customers and the **Commission**.
- 1.5.2. The **Commission** will undertake consultation with relevant **Regulated Operators** and other stakeholders as appropriate before making any significant amendment to this Guideline.
- 1.5.3. For all substantial revisions to this Guideline an effective date will be nominated which is expected to be not less than 45 days prior to the date of application. Revisions occurring in accordance with clause 1.8.1 of this Guideline may take effect on a shorter time frame.

1.6. Input from Interested Parties

- 1.6.1. The **Commission** welcomes comments, discussion, or suggestions for amendments to this Guideline, from any interested party. Any contribution in this regard should be addressed to:

The Essential Services Commission of South Australia
GPO Box 2605
Adelaide SA 5001
Facsimile: (08) 8463 4449
E-mail: escosa@escosa.sa.gov.au

1.7. Version History and Effective Date

- 1.7.1. An issue number and date of issue will identify every version of the Guideline. This version of this Guideline became effective on the date of issue. This Guideline applies to all **Regulatory Accounting Periods** finishing on or after 30 June 2003.

2. GENERAL PRINCIPLES OF PREPARATION

This section sets out general principles of preparation that shall apply to all information provided by a **Regulated Operator** to the **Commission** under this Guideline. In addition, Parts A and B may specify additional principles specific to certain categories of information.

2.1. Substance to Prevail over Legal Form

- 2.1.1. **Regulatory Accounts** shall report the substance of transactions and events.
- 2.1.2. Where substance and legal form differ, the substance rather than the legal form of a transaction or event shall be reported.
- 2.1.3. In determining the substance of a transaction or events, all its aspects and implications shall be considered, including the expectations of and motivations for, the transaction or event.
- 2.1.4. For the purposes of determining the substance of a transaction or event, a group or series of transactions or events that achieves, or is designed to achieve, an overall commercial effect shall be viewed in aggregate.
 - 2.1.4.1. Explanation
- 2.1.5. In line with the application of similar “substance over form” provisions in accounting standards,¹ the substance, rather than the legal form, of a transaction or event governs its classification in the **Regulatory Accounts**.

2.2. Information Provided shall be Verifiable

- 2.2.1. A **Regulated Operator** must maintain accounting records and reporting arrangements which:
 - ▲ enable separate **Regulatory Accounts** to be prepared; and
 - ▲ provide information in the **Regulatory Accounts** that can be verified.
- 2.2.2. Information shall be presented in **Regulatory Accounts** in the most understandable manner, without sacrificing relevance or reliability.

¹ For example, see Clause 24 in Statement of Accounting Concepts SAC 3 “Qualitative Characteristics of Financial Information” as issued by the Australian Accounting Research Foundation, August 1990.



2.3. Materiality

2.3.1. The **Commission** will apply the following standard of materiality:

An item is **material** if its omission, misstatement or non-disclosure has the potential to prejudice the understanding of the financial or operational position and nature of the business activities of the **Regulated Business Segment**, gained by reading the **Regulatory Accounts**.

2.3.2. This Guideline shall apply to all **material** items in the **Regulatory Accounts**.

2.4. Responsibility Statement

2.4.1. A **Regulated Operator** will normally be required to provide a statement evidencing responsibility for information provided to the **Commission**.

2.4.2. For Financial Performance Reporting a **Directors' Responsibility Statement** shall be provided to the **Commission**.

2.4.3. For Operational Performance Reporting a **Responsibility Statement** shall be provided to the **Commission**.

2.5. Quality assurance requirements

2.5.1. The **Regulated Operator** must have undertaken audits of its **Regulatory Accounts**:

- ▲ the audits must be undertaken by auditors nominated by the **Regulated Operator** and approved by the **Commission** (such approval shall not be unreasonably withheld);
- ▲ audits must be conducted in accordance with any relevant directions in this Guideline; and
- ▲ the results of the audits must be reported to **the Commission**, in a manner approved by the **Commission**.

2.5.2. The **Regulated Operator** is responsible for appointing and for remunerating the **Auditor**.

PART A – OPERATIONAL PERFORMANCE REPORTING

A.1 Reporting for a Regulated Operator of Proclaimed Ports and Bulk Handling Facilities

A.1.1 Introduction

- A.1.1.1 This section sets out the **Commission's** requirements
- ▲ for non-financial performance monitoring information; and
 - ▲ requirements necessary to put into effect the principles set out earlier in this Guideline.
- A.1.1.2 In accordance with the principles listed in 1.1.2 of this Guideline, the Operational Reporting Requirements for **Proclaimed Ports** and Bulk Handling Facilities seek to collect information on the:
- ▲ capacity (technical and effective);
 - ▲ **utilisation** (rate and type); and hence
 - ▲ availability
- of **Regulated Services** in each **Proclaimed Port** and Bulk Handling Facility; and on the:
- ▲ **Volatility** of those measures over time (degree and cause)
- A.1.1.3 This information will be relevant in the conciliation and arbitration of disputes, and will be a source of insight into:
- ▲ market profile;
 - ▲ market structure;
 - ▲ market power; and
 - ▲ competitiveness
- as required for the **Ports Access Review**.

A.1.2 Statistical information

- A.1.2.1 The **Commission** may require statistical information to be reported on a recurring basis by a **Regulated Operator** for benchmarking and other purposes.
- A.1.2.2 Appendices A1 and A2 list examples of statistical information requirements that have been clearly identified by the **Commission** and



set out the basis upon which this information is to be reported by a **Regulated Operator**.

A.1.3 Additional performance measures

- A.1.3.1 The **Commission** may require additional performance measures to be reported by a **Regulated Operator**.
- A.1.3.2 The **Commission** may from time to time, change its requirements to ensure that the information it gathers continues to be relevant to changing regulatory requirements. The **Commission** will undertake appropriate consultation with a **Regulated Operator** before any significant amendment of its information requirements.

A.1.4 Use of proformas to report information

- A.1.4.1 The proformas at Appendices A1 and A2 should be read in conjunction with this Part of the Guideline. They:
- ▲ indicate how information is to be reported to the **Commission**, and
 - ▲ categorise recurring information requirements separately from the non-recurring requirements.
- A.1.4.2 For ad hoc information, the **Commission** expects to provide a **Regulated Operator** with a request for information, setting out:
- ▲ its information requirements;
 - ▲ the reason information is being requested;
 - ▲ the intended use of the information;
 - ▲ the scope of any quality assurance that may be required; and
 - ▲ the time by which the information is to be provided.
- A.1.4.3 Where the **Commission** may need to change its information requirements, it expects to provide additional or amended proformas in Appendices A1 and A2. The **Commission** will undertake appropriate consultation with relevant **Regulated Operators** and other stakeholders as appropriate before making any significant amendment of its information requirements.

A.1.5 Principles of preparation

- A.1.5.1 The principles set out in section 2 of this Guideline should be followed to prepare and report information under this Part of the Guideline.

A.1.6 Timing of reports

- A.1.6.1 Recurring information is to be provided by a **Regulated Operator** at least annually, in accordance with the timing indicated by Appendices A1 and A2.
- A.1.6.2 In addition, the **Commission** may request information to be reported on a more frequent basis, at intervals to be determined in consultation with a **Regulated Operator** (quarterly, for example). This may be required to facilitate more timely and current performance monitoring by the **Commission**. The proformas set out at Appendices A1 and A2 provide guidance on the timing of such additional reports.
- A.1.6.3 Where the **Commission** has requested information on a recurring basis, a **Regulated Operator** must submit it no later than one calendar month after the end of the period for which the information has been collected.

A.1.7 Quality Assurance

- A.1.7.1 Information requirements set out in this section and referred to in the proformas in Appendices A1 and A2 shall be prepared in accordance with section 2 of this Guideline.
- A.1.7.2 A **Regulated Operator** will normally be required to provide a **Responsibility Statement** evidencing responsibility for information provided to the **Commission**, which is signed and dated by the **CFO** of a **Regulated Operator**. The **Commission** has set the scope of the **Responsibility Statement** in the proforma in Appendix B3.
- A.1.7.3 Where the **Commission** requires independent assurance, on any information submitted under the Part A of this Guideline, the **Commission** will specify to a **Regulated Operator** the required scope of independent assurance and the time by which that assurance is to be provided.
- A.1.7.4 Where independent assurance is required, a **Regulated Operator** shall submit a **Regulatory Audit Report** in the form of an **Agreed-upon Procedures Report** unless the **Commission** notifies a **Regulated Operator** in writing of a requirement for another form of **Regulatory Audit Report**.

APPENDIX A1: OPERATIONAL PERFORMANCE PROFORMAS (PORTS)

Following is the tabulated list of Operational Performance measures for **Regulated Operators of Proclaimed Ports**. These measures and information requirements are to be reported separately from the Financial Performance Reporting requirements set out in this Guideline.

These measures and information requirements shall be collected and reported for each **Berth** (or berth group as agreed by the **Commission**) or **Proclaimed Port** (only in the case of Operational Performance measures that do not seek berth by berth information as set out below) as applicable to the relevant **Regulated Service**.

Quarterly Reports are to be received by **the Commission** no later than one calendar month after the end of each quarter. Annual Reports are to be received by the **Commission** no later than three calendar months after the end of the **Regulatory Accounting Period** (unless otherwise agreed by the **Commission**).

Description	Measure	Timing
1. Number of vessels visiting each applicable Berth at each Proclaimed Port for the reporting period, categorised by deadweight or Gross Tonnage (within bands to be agreed)	Number of vessels	Reported Quarterly
2. Berth occupancy rate for the reporting period being the total number of hours each Berth at each Proclaimed Port is utilised divided by the total number of hours available	Percentage	Reported Quarterly
3. Average time at berth for the reporting period being the length of stay by a vessel at each Berth at each Proclaimed Port for the reporting period, categorised	Number of hours	Reported Quarterly
4. Average waiting rate for the reporting period being total hours vessels wait for a berth divided by total time at berth (only for vessels arriving outside of agreed Slot Times) for each Berth	Percentage	Reported Quarterly
5. Number of tonnes of cargo handled at each Berth at each Proclaimed Port for the reporting period	Tonnes	Reported Quarterly



Description	Measure	Timing
6 Average size of a Mooring Gang for each type of vessel which may use a Berth at a Proclaimed Port	Number of personnel	Reported once and only if changed thereafter
7 Occurrences of pilotage being unavailable to meet a customer's request for pilotage services	Details	Reported Quarterly (by exception only)
8 List of details of any Pilotage incidents (as defined by the Port Operating Agreement) which have occurred at a Proclaimed Port during the reporting period	Details	Reported Quarterly (by exception only)
9 List of details of any planned maintenance which will inhibit access to a Channel at a Proclaimed Port or a Berth at a Proclaimed Port for the forthcoming year	Details	Reported Annually
10 List of details of any unplanned maintenance which inhibited access to a Channel or a Berth at a Proclaimed Port during the reporting period	Details	Reported Quarterly
11 Update of survey activity for each Channel at a Proclaimed Port	Details	Reported Annually

APPENDIX A2: OPERATIONAL PERFORMANCE PROFORMAS (BULK HANDLING FACILITIES)

Following is the tabulated list of Operational Performance measures for Regulated Operators of Bulk Handling Facilities (hereinafter referred to as BLP²s).

These measures are to be reported separately from the Financial Performance Reporting requirements set out in this Guideline.

Quarterly Reports are to be received by the **Commission** within 30 days after the end of each quarter. Annual Reports are to be received by the **Commission** within 90 days after the end of the **Regulatory Accounting Period** (unless otherwise agreed by the **Commission**).

Description	Measure	Timing
1 Number of vessels using each BLP for the reporting period by commodity (ie. grain, gypsum, salt or dolomite) and by BLP	Number of vessels	Reported Quarterly
2 Number of days each BLP is utilised for the reporting period by commodity	Days	Reported Quarterly
3 Number of tonnes loaded by each BLP for the reporting period by commodity	Tonnes	Reported Quarterly
4 Net vessel loading rate being the average net vessel loading time (excluding delays) for the reporting period by commodity and by BLP divided by gross vessel loading time	Percentage	Reported Quarterly
5 Average time taken between securing vessels at each BLP and commencement of loading the vessel, by commodity	Minutes	Reported Quarterly
6 A report stating the effect on capacity of changing between the handling of different commodities at each BLP	Details	Reported once and only if changed thereafter
7 A report which raises and discusses prospective issues concerning capacity and utilisation of each BLP for the forthcoming year	Details	Reported Annually (by exception only)

² The legislation uses the term Bulk Handling Facilities, but they are more commonly referred to as Bulk Loading Plant (BLP).

PART B – FINANCIAL PERFORMANCE REPORTING

B.1 Financial Performance Reporting for a Regulated Operator of Proclaimed Ports and Bulk Handling Facilities

B.1.1 Introduction

B.1.2.1 This section sets out:

- ▲ The **Commission's** requirements for financial performance monitoring information; and
- ▲ requirements necessary to put into effect the principles set out earlier in this Guideline.

B.1.2.2 In accordance with the principles listed in 1.1.2 of the Guideline, the Financial Performance Reporting Requirements for **Proclaimed Ports** and Bulk Handling Facilities seek to collect information on:

- ▲ profitability; and
- ▲ cost & revenue characteristics

of the **Regulated Industry**.

This information will be relevant in the conciliation and arbitration of disputes; and will be a source of insight into:

- ▲ market profile;
- ▲ market structure;
- ▲ market power; and
- ▲ competitiveness

as required for the section 43 review of the **Ports Access Regime**.

B.1.2.3 Section 42 of the **MSA Act** states that a **Regulated Operator** must maintain separate accounts and records for **Regulated Services**.

B.1.2.4 This Part B:

- ▲ sets out the **Commission's** requirements for the accounts referred to by Section 42 of the **MSA Act**; and
- ▲ outlines requirements and principles that a **Regulated Operator** shall follow when preparing and reporting financial information requested under this Guideline.



The **Commission** may also require this information in whole or in part at times when specific needs for the information arises, rather than on a recurring basis.

B.1.2 Timing of reports

- B.1.2.1 The **Commission** may request information to be reported at any time that may be necessary to the **Commission's** specific requirements.
- B.1.2.2 When a need for financial information arises, the **Commission** expects to provide a **Regulated Operator** with a formal request for information setting out the information requirements, the scope of any quality assurance that may be required, and the time by which the information is to be provided.

B.1.3 Criteria for accounting principles and policies

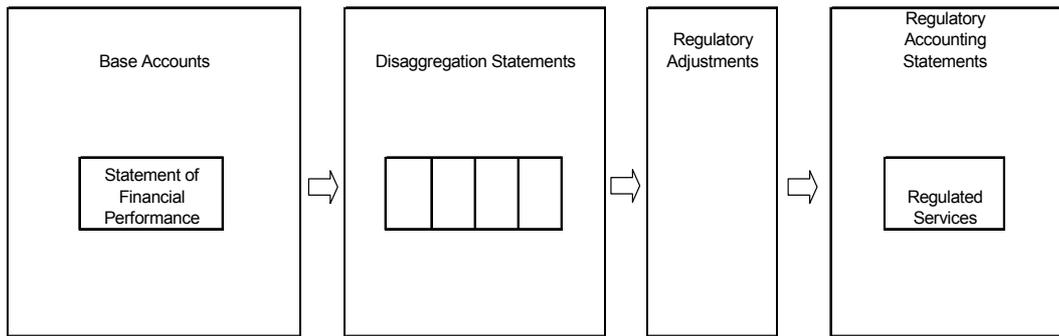
- B.1.3.1 Accounting Principles and Policies must be selected and applied by a **Regulated Operator**:
- ▲ such that there is a recognisable and rational economic basis that underlies their utilisation; and
 - ▲ in a manner that ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and events is reported.
- B.1.3.2 A **Regulated Operator's** Accounting Principles and Policies must be disclosed to the **Commission** in a manner which enables **the Commission** to understand the resultant **Regulatory Accounting Statements** and make comparisons between them over time.
- B.1.2.3 Accounting Principles and Policies shall conform to Australian Accounting Standards where these Standards are applicable, unless a specific requirement of this Guideline requires non-conformity with these Standards.
- B.1.3.4 This Guideline has been drafted on the basis of an assumption that the entirety of a **Regulated Operator's Regulated Business Segments** are encompassed by a single set of **Base Accounts** that would be prepared regardless of the requirements of this Guideline. If the business or corporate structure of a **Regulated Operator** should change such that this assumption is no longer valid, a **Regulated Operator** shall inform the **Commission** of this change at the earliest reasonable opportunity.

- B.1.3.5 When requested by the **Commission**, a **Regulated Operator** shall present on a fair and consistent basis, from its accounting records:
- ▲ costs and revenues that may be reasonably attributed to the **Regulated Business Segment**;
 - ▲ where applicable, separately and in appropriate detail for each berth, group of berths, **Proclaimed Port** or each BLP, the amounts of revenue and cost which has been either:
 - ▲ charged from or to any other business or Regulated Business Segment of a Regulated Operator; or
 - ▲ determined by apportionment between the Regulated Business Segment and any other business, together with a description of the basis of the charge or apportionment.
- B.1.3.6 Regulatory asset values should be established, for the purpose of this Guideline, on a rational and consistent economic basis. Replacement cost methodologies (for example, depreciated optimised replacement cost or DORC) for asset valuation are likely to be acceptable.

B.1.4 Principles of disaggregation of revenue and expenditure

- B.1.4.1 **Regulatory Accounting Statements** are to be prepared by disaggregating **Base Accounts**.
- B.1.4.2 The following diagram seeks to illustrate that the general process for preparing **Regulatory Accounting Statements** from **Base Accounts** comprises:
- ▲ preparing **Disaggregation Statements** from the accounting records that underlie the **Base Accounts**; and then
 - ▲ applying where necessary, regulatory accounting adjustments to the **Regulated Business Segments** in the **Disaggregation Statements**, to derive **Regulatory Accounting Statements**.

Accordingly, the **Disaggregation Statements** in combination with any regulatory accounting adjustments shall provide an audit trail between the **Regulatory Accounting Statements** and the accounting records that underlie the audited **Base Accounts**.



B.1.4.3 The diagram above is intended as a concise illustration of the process and does not substitute for an understanding of this Guideline.

B.1.4.4 The **Commission** requires:

- ▲ **Regulatory Accounting Statements** that fairly state on a disaggregated basis those revenues and costs of the **Regulated Business Segments** that the **Commission** requires to be disclosed; and
- ▲ an understanding of the basis on which the **Base Accounts** have been disaggregated.

B.1.5 Disaggregation Statements

B.1.5.1 The **Disaggregation Statement** shall provide an audit trail to evidence the disaggregation of the **Base Accounts** into **Regulated Business Segments**.

B.1.5.2 Proformas included in Appendices B1 and B2 to this Guideline indicate how **Disaggregation Statements** are to be presented.

B.1.5.3 The disaggregation of **Base Accounts** shall be based on the principle that:

- ▲ **Base Account Records** which are **Directly Attributable** to the **Regulated Business Segments** are assigned accordingly; and
- ▲ **Base Account Records** not **Directly Attributable** will be allocated to **Regulated Business Segments** using an appropriate allocator, as indicated in paragraphs B.1.5.7 to B.1.5.12 below.

B.1.5.4 If Account Headings used in the **Regulatory Accounting Statements** are not the same as those used in the **Base Account Records** they should be traceable or reconcilable to the chart of accounts used in the **Base Account Records** such that there is an audit trail between the **Base Account Records** and the Account Headings used in the **Regulatory Accounting Statements**.

- B.1.5.5 Where **Base Account Records** are **Directly Attributable** to **Regulated Business Segments**, no one Account Heading shall be used to attribute items to more than one **Regulated Business Segment**.
- B.1.5.6 Account Headings shall be sufficiently descriptive to provide an understanding of why **Base Account Records** that have been **Directly Attributable** to a **Regulated Business Segment** are uniquely associated with the **Regulated Business Segment**.
- B.1.5.7 **Base Account Records** that are not **Directly Attributed** are to be allocated on a **Causation Basis**.
- B.1.5.8 Where a **Base Account Record** has been allocated to a **Regulated Business Segment**, a supporting work paper shall be provided that describes:
- ▲ the amounts that have been allocated to each **Regulated Business Segment**;
 - ▲ a description of the allocation basis; and
 - ▲ the numeric quantity of each allocator.
- B.1.5.9 If a **Causal Relationship** cannot be established without undue cost and effort, a **Regulated Operator** must provide the **Commission** with a separate list of these **Base Account Records** indicating a description and amount for each **Base Account Record**. A **Regulated Operator** may effect an allocation of these **Base Account Records** on a **Non Causal** basis, provided that a supporting note documents:
- ▲ a defensible basis of allocation;
 - ▲ the reason for choosing that basis;
 - ▲ an explanation why no **Causal Relationship** could be established; and
 - ▲ a quantification of the allocator applied to each **Regulated Business Segment** and in total.
- B.1.5.10 **Non Causal Bases** of allocation shall only be applied to the extent that the aggregate of all **Base Account Records** subject to all **Non Causal Bases** of allocation is **Immaterial** to either the **Base Accounts** or the **Regulatory Accounting Statements**. Paragraph 2.3 of the General Principles of Preparation sets out the **Commission's** standard of materiality.



B.1.5.11 **Non Causal Bases** of allocation will be subject to the specific approval of *the Commission*. The *Commission* expects to only accept a **Non Causal Basis** of allocation where a **Regulated Operator** can demonstrate that there is likely to be a strong positive correlation between the **Non Causal Basis** and the actual cause of resource or service consumption or utilisation that costs subject to allocation, represent.

B.1.5.12 The *Commission* may require further information, or investigate a **Regulated Operator's** bases of allocation:

- ▲ to establish their causality;
- ▲ to approve **Non-Causal Bases** of allocation; or
- ▲ where the use of **Non Causal Bases** of allocation by a **Regulated Operator** is more than incidental.

B.1.6 Regulatory adjustments

B.1.6.1 In preparing **Regulatory Accounting Statements** a **Regulated Operator** may need to apply regulatory adjustments to the **Disaggregation Statements** or to the **Base Accounts**, that may be:

- ▲ considered appropriate by a **Regulated Operator**, or
- ▲ required by the *Commission*.

B.1.6.2 However, the *Commission* would not expect that in the normal course of events, regulatory adjustments would be required to derive **Regulatory Accounting Statements** under this Guideline.

B.1.6.3 Work papers that clearly explain the nature and amount of each adjustment shall support all regulatory adjustments. Appendix B1.2 includes examples of such workpapers.

B.1.7 Books and records

B.1.7.1 A **Regulated Operator's Directors** shall ensure that a **Regulated Operator** keeps **Books** that:

- ▲ correctly record and explain the transactions and financial position of any **Regulated Business Segment**;
- ▲ enable financial information to be prepared in accordance with this Guideline; and
- ▲ allow an **Auditor** to conveniently and properly form an opinion on the financial information in accordance with the requirements of this Guideline.

- B.1.7.2 A **Regulated Operator's Directors** shall also ensure that a **Regulated Operator** retains the **Books** from which the **Base Accounts** are prepared for a period of 7 years.

B.1.8 Directors' Responsibility Statement

- B.1.8.1 A **Directors' Responsibility Statement** shall be attached to any financial information a **Regulated Operator** submits to the **Commission**.
- B.1.8.2 Appendix B3 includes an example of a **Directors' Responsibility Statement**.

B.1.9 Scope of Auditor's Opinion

- B.1.9.1 The **Commission** shall, in accordance with paragraphs B.1.9 of this Guideline, notify a **Regulated Operator** of the form of any **Auditor's** report on financial information the **Commission** requires.
- B.1.9.2 A **Regulated Operator** shall deliver to the **Commission** in accordance with the **Commission's** requirements a copy of a **Regulatory Audit Report** in one of the following forms which the **Commission** shall specify:
- ▲ an Audit Report on a Special Purpose Financial Report;
 - ▲ a Review Report; or
 - ▲ an Agreed-upon Procedures Report; and
- the form to be used for the first Regulatory Accounting Period (finishing on or after 30 June 2003) is an Audit Report on a Special Purpose Financial Report.
- B.1.9.3 The **Commission** will inform a **Regulated Operator** in writing of the form of **Regulatory Audit Report** it requires not less than 3 months prior to the end of the **Regulatory Accounting Year**. If the **Commission** does not inform a **Regulated Operator**, then the same form as the previous **Regulatory Accounting Year** applies.
- B.1.9.4 Appendix B4 includes examples of **Regulatory Audit Reports**.

B.1.10 Procurement of an Auditor's Opinion

- B.1.10.1 Where the **Commission** requires an **Auditor's** report, the **Directors** shall be responsible for engaging and remunerating an **Auditor** to report on the financial information provided to the **Commission**.



B.1.10.2 The appointment of an **Auditor** shall be subject to the approval of the **Commission** (wherein such approval shall not be unreasonably withheld). The **Directors** shall nominate an **Auditor** for the purposes of seeking **the Commission's** approval, not less than one (1) month prior to a **Regulatory Accounting Date**, unless both the **Commission** and the **Directors** agree to a different timetable. In the event of the **Commission** not approving the proposed appointment of an **Auditor**, the **Commission** may appoint an **Auditor** to be engaged and remunerated by the **Directors**. Should a proposed appointment of an **Auditor** by the **Commission** bring about a concern by a **Regulated Operator** of a real conflict of interest on behalf of a proposed **Auditor**, the **Commission** shall agree to nominate an alternative **Auditor**.

B.1.10.3 An **Auditor's** report shall be addressed to the **Commission**. (This does not preclude the report from also being addressed to the **Directors** or other parties).

B.1.11 Tripartite Meeting

B.1.11.1 To enable the **Commission** to receive explanations or information concerning the **Auditor's** work in connection with his or her opinion on the financial information, a **Regulated Operator** shall allow **the Commission**, or its agent, to meet, in the presence of a **Regulated Operator**, with the **Auditor** responsible for a **Regulated Operator's Regulatory Audit Report**, both before and after the **Regulatory Accounting Date** to which the **Regulatory Audit Report**, relates.

B.2 Information Requirements for Financial Performance Reporting

B.2.1 Introduction

This section sets out the specific information and other detailed requirements necessary to put into practical effect the principles set out earlier in this Guideline.

B.2.2 Reporting requirements

B.2.2.1 A **Regulated Operator** shall deliver to the **Commission Regulatory Accounting Statements** in accordance with Appendix B1A and B2.

B.2.2.2 A **Regulated Operator** shall deliver the information specified in Appendix B1A and B2 at times to be notified by the **Commission** to the **Commission**. In any event, the **Regulatory Accounting Statements** described in Appendix B1A and B2 shall be delivered to

the **Commission** no later than three (3) months after a **Regulatory Accounting Date**.

- B.2.2.3 A set of annual **Regulatory Accounting Statements** shall comprise:
- ▲ a Disaggregation Statement, Profit and Loss Account disclosing the Audited Statement of Financial Performance (Profit & Loss Account), the **Regulated Business Segment** (in total), the other **Business Segments** (in total) and amounts not allocated to a Business Segment (in total);
 - ▲ Further Disaggregation Statements providing revenue and costs for each **Regulated Service** at each applicable location;
 - ▲ A full set of working papers (referenced to the Disaggregation Statements) disclosing full details required of all **Regulatory Accounting Adjustments**;
 - ▲ A full set of working papers (referenced to the Disaggregation Statements) disclosing full details required of revenue and costs attributed to the **Regulated Business Segment**;
 - ▲ A Summary of Provisions carried on a **Regulated Operator's** Statement of Financial Position (Balance Sheet) in respect of **Regulated Business Segment** (in total), in other Business Segments (in total) and not allocated to a Business Segment (in total) as at the end of the **Regulatory Accounting Period**;
 - ▲ A further statement detailing all **Material Provisions** carried in respect of the **Regulated Business Segment**, reconciling to the total in the Summary of Provisions above; and
 - ▲ A set of notes disclosing a **Regulated Operator's** Accounting Principles and Policies.
- B.2.2.4 The **Commission** may from time to time, change its requirements to ensure that the information it gathers continues to be relevant to changing regulatory requirements. The **Commission** will undertake appropriate consultation with a **Regulated Operator** before any significant amendment of its information requirements.

B.2.3 Account headings

- B.2.3.1 Appendix B1 to this Guideline specifies for the **Regulatory Accounting Statements**:
- ▲ minimum disclosure requirements; and
 - ▲ **Mandatory Headings**.

B.2.3.2 Subject to paragraph B.2.4 of this Guideline, a **Regulated Operator** may, within the context of the **Mandatory Headings**, define **Discretionary Headings** that are most appropriate to conveying an understanding of a **Regulated Operator's** business. Modification to the pro forma reports, if any, shall not significantly reduce or alter the nature or description of Account Headings. The level of disclosure shall remain relevant and reliable and must be sufficient to provide the **Commission** with financial information that is both comparable and understandable.

Explanation

B.2.3.3 The **Commission** seeks:

- ▲ to understand a **Regulated Operator's Regulated Business Segments**; and
- ▲ in so far as practically possible, for the **Regulatory Accounting Statements** to follow the Account Headings and accounting principles and policies, that a **Regulated Operator** applies to its own financial statements and management reports.

B.2.4 Discretionary Headings

B.2.4.1 **Discretionary Headings** shall report Operating and Maintenance costs according to the activities that the costs represent, unless the **Commission** should agree otherwise in writing.

B.2.4.2 Subject to the provisions of this section, the **Discretionary Headings** applied by a **Regulated Operator** to the **First Regulatory Accounting Statements** shall be applied consistently by a **Regulated Operator** to subsequent **Regulatory Accounting Statements**.

B.2.4.3 **Discretionary Headings** shall be in accordance with, or be traceable to, the Account Headings denoted in a **Regulated Operator's** general ledger or chart of accounts that underpin its **Base Accounts**.

B.2.4.4 A **Regulated Operator** shall meet with the **Commission** prior to submitting the **First Regulatory Accounting Statements**, to enable the **Commission** to indicate whether a **Regulated Operator's** proposed **Discretionary Headings** are likely to meet the **Commission's** requirements.

B.2.4.5 A **Regulated Operator** may vary the **Discretionary Headings** from those used in the immediately preceding **Regulatory Accounting Period** if:

- ▲ a revision of this Guideline should require such a change; or
 - ▲ the **Commission** issues written approval after receiving an application from a **Regulated Operator** for a variation. Such an application:
 - ▲ does not change a **Regulated Operator's** obligations under paragraph B.2.3 of this Guideline; and
 - ▲ should include an explanation of the relationships between revised Account Headings and their predecessors.
- B.2.4.6 A Regulated Operator may vary the Discretionary Headings from one Regulatory Accounting Period to the next because of the **Commission's** request for **Regulatory Accounting Statements** to be prepared focusing on a specific part of a **Regulated Business Segment**. Where a **Regulated Operator** is required in a subsequent **Regulatory Accounting Period** to report on that same part of a **Regulated Business Segment** that was reported in a past **Regulatory Accounting Period**, the same **Discretionary Headings** as previously agreed with the **Commission**, should be used. Any variation to the **Discretionary Headings** by a **Regulated Operator** should be made in accordance with the requirements set out in paragraph B.2.3.

Explanation

- B.2.4.7 The **Commission** will need to understand any variations in presentation between accounting periods to facilitate a proper interpretation of a **Regulated Operator's Regulatory Accounting Statements** over time.

B.2.5 Regulatory Accounting Periods

- B.2.5.1 A **Regulated Operator's Regulatory Accounting Periods** shall correspond to those of its **Base Accounts**.
- B.2.5.2 A **Regulated Operator** shall notify the **Commission** of any change in its **Regulatory Accounting Date** in advance of any such change.
- B.2.5.3 A **Regulated Operator's Regulatory Accounting Periods** shall cover a continuous period.
- B.2.5.4 A **Regulated Operator's First Regulatory Accounting Statements** shall be prepared for the first period starting on or after 1 July 2002, for which a **Regulated Operator** prepares **Base Accounts**.



B.2.6 Disaggregation of Income

Regulated Business Segment Disaggregation

- B.2.6.1 Items of income in the **Base Accounts** shall be disaggregated between **Regulated Business Segments** in accordance with the principles set out in paragraph B.1.3 of this Guideline.
- B.2.6.2 The **Regulatory Accounting Statements** shall provide for the **Regulated Business Segments**, an analysis of income by principal component, together with a description of each component.

Explanation

- B.2.6.3 For the **Regulatory Accounting Statements** to provide meaningful information, income needs be fairly attributed to each **Regulated Business Segment**.
- B.2.6.4 The **Commission** requires an understanding of the principal sources of income for the **Regulated Business Segments** to assist the determination of a **Regulated Operator's** revenue requirement.

Inter Segmental Transactions

- B.2.6.5 The **Base Accounts** may not account for transactions between **Regulated Business Segments**. Accordingly, **Inter Segmental Income** and the corresponding **Inter Segmental Costs** shall be recorded in the profit and loss accounts of the **Regulated Business Segments** in which they arise and separately disclosed in each of the **Regulated Business Segments**.
- B.2.6.6 For each item of **Inter Segmental Income** or **Cost**, arising in each of the **Regulated Business Segments**, the **Regulatory Accounting Statements** shall also disclose by way of note, a disaggregation journal that follows the principles of double entry book keeping and provides descriptions of:
- ▲ the item;
 - ▲ the balancing accounting entry or entries; and
 - ▲ the **Regulated Business Segment** or **Segments**, in whose income and expenditure account or accounts, the balancing accounting entry or entries arise.

Explanation

B.2.6.7 The **Commission** requires:

- ▲ **Regulatory Accounting Statements** that fairly state the financial position of the **Regulated Business Segments** on a disaggregated basis;
- ▲ an understanding of the principal sources of income for the **Regulated Business Segments**; and
- ▲ an understanding of the basis on which the **Base Accounts** have been disaggregated.

B.2.7 Disclosure of Costs

Disclosure

B.2.7.1 The **Commission** requires disclosure of those costs that are attributable to the **Regulated Business Segment** and anticipates that in so far as is practicable, these costs would normally be disclosed under Account Headings that analyse costs according to the type of **Regulated Service** to which they relate.

B.2.7.2 The **Regulatory Accounting Statements** shall include a note that:

- ▲ Dissects costs by Account Heading;
- ▲ Disaggregates the costs disclosed by each Account Heading, across **Regulated Business Segments**;
- ▲ Provides an audit trail to the **Account Code** or **Account Codes** that each Account Heading in the note, represents or is based on;
- ▲ Provides totals by Account Heading and **Regulated Business Segment**;
- ▲ Discloses the descriptions and amounts of cost that are **Inter Segmental Costs**; and
- ▲ Reconciles the total of the cost analysis to the total of costs included in the **Base Accounts**. If no reconciliation is necessary, the note should still state the total of costs included in the **Base Accounts**.

B.2.7.3 Proforma working paper in Appendix B1 sets out how this information is to be presented.



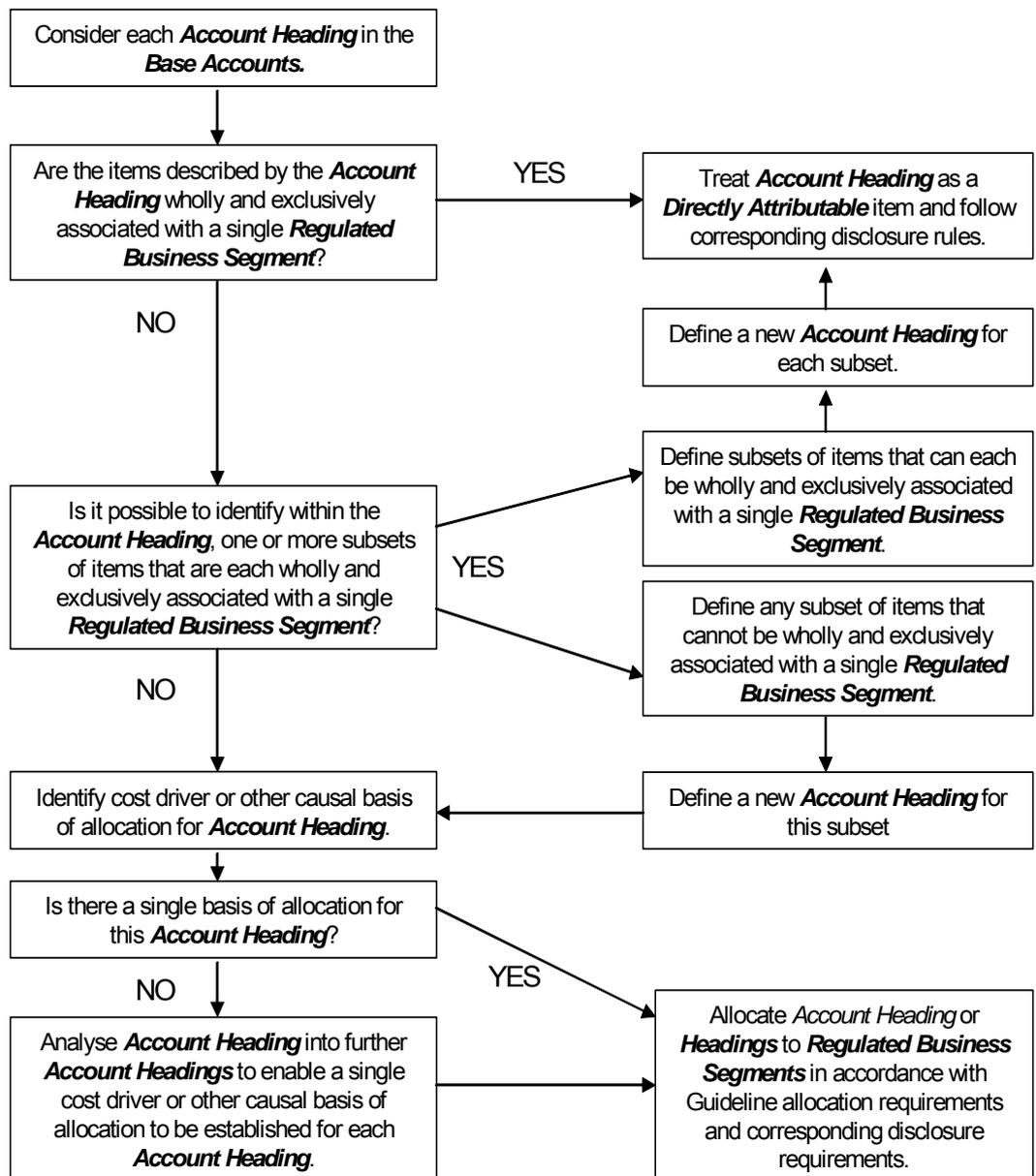
B.2.8 Cost attribution

- B.2.8.1 Where a cost is attributed to a **Regulated Business Segment**, it should reflect the consumption, or utilisation, of a resource or service; and where a **Regulated Business Segment** consumes or utilises a resource or service, a corresponding cost attribution should take place.
- B.2.8.2 A cost will be either:
- ▲ a direct cost that can be Directly Attributed to a single **Regulated Business Segment**; or
 - ▲ an indirect cost that needs to be attributed to **Regulated Business Segments** on the bases of the principles set out at paragraph B.1.3 of this Guideline.
- B.2.8.3 Where costs are **Directly Attributed** to **Regulated Business Segments** no one Account Heading shall be used to attribute costs to more than one **Regulated Business Segment**.
- B.2.8.4 The description provided for each Account Heading that describes costs that are **Directly Attributed** to a **Regulated Business Segment**, shall be sufficient to provide an understanding of the characteristics of the costs that cause them to be associated with the **Regulated Business Segment**.
- B.2.8.5 The **Regulatory Accounting Statements** shall include a note that discloses for each Account Heading:
- ▲ the amount of costs within the Account Heading, that can be **Directly Attributed to Regulated Business Segments**; and
 - ▲ for indirect costs attributed by allocation:
 - ▲ a description of the bases of allocation used;
 - ▲ a quantification of the allocators applied to each **Regulated Business Segment**; and
 - ▲ the corresponding amount of cost allocated to each **Regulated Business Segment**.
 - ▲ a note or cross reference shall provide an audit trail to the **Account Code** or **Account Codes** that each O&M Account Heading represents or is based on.
- B.2.8.6 A proforma working paper “Aloc 1” in Appendices B1A provides an example of how the information required by this paragraph B.2.8 should be presented.

Explanation

- B.2.8.7 The **Commission** needs to understand the nature of the costs attributed to the **Regulated Business Segments** and requires an audit trail for those costs.
- B.2.8.8 The following decision tree provides additional information to help explain the practical effects that follow from the Guideline's definitions and disclosure requirements concerning **Directly Attributable** and allocated costs.

Cost Attribution Decision Tree



B.2.9 Depreciation

Attribution

- B.2.9.1 A depreciation charge should be attributed to the **Regulated Business Segment** of the asset that gives rise to the charge.

Explanation

- B.2.9.2 Items in the **Base Accounts** are to be disaggregated on the basis of consistent principles.
- B.2.9.3 The **Regulatory Accounting Statements** need to fairly state the financial performance of the **Regulated Business Segments** on a disaggregated basis.

B.2.10 Other expenditure

Restatement of principle

- B.2.10.1 Other expenditure arising in the profit and loss account not specifically addressed elsewhere in section B.2 of this Guideline, shall be disaggregated between **Regulated Business Segments** in accordance with:
- ▲ the general principles set out in B.1.3 of this Guideline; and
 - ▲ the disclosure requirements set out in Appendix B1.

B.2.11 Income tax attributable to operating profit

- B.2.11.1 This item shall be recorded under the column headed **Not Allocated** in the **Disaggregation Statements**.

Explanation

- B.2.11.2 The **Commission** does not, at this stage, seek information about the attribution of income tax charge or credits between **Regulated Business Segments**.

B.2.12 Interest payable, interest receivable, dividends payable and dividends receivable

- B.2.12.1 These items shall be recorded under the column headed **Not Allocated** in the **Disaggregation Statements**.

Explanation

- B.2.12.2 The **Commission** does not, at this stage, seek information about the attribution of these items between **Regulated Business Segments**.



B.2.13 Amortisation of goodwill arising on acquisition

B.2.13.1 Any amount representing amortisation of goodwill on acquisition of assets shall be recorded under the column headed **Not Allocated** in the **Disaggregation Statements**.

Explanation

B.2.13.2 The **Commission** does not, at this stage, seek information about the attribution of these items between **Regulated Business Segments**.

B.2.14 Disaggregation of movements in provisions

B.2.14.1 The **Regulatory Accounting Statements** shall disclose disaggregation information sufficient to provide a reconciliation of the provisions disclosed by the **Base Accounts** to those disclosed for the **Regulated Business Segments**. Proforma working paper “Summary of Provisions” in Appendix B1A and B2.

B.2.14.2 The disaggregation of provisions should follow the principles set out in paragraph B.1.3.

Explanation

B.2.14.3 The **Commission** requires an understanding of the basis on which the **Base Accounts** have been disaggregated.

B.2.14.4 The principles of disaggregation should be applied consistently to all items in the **Base Accounts**.

Disclosure

B.2.14.5 The following information shall be provided for each **Material Provision** and in total for all other provisions in each **Regulated Business Segment**.

- ▲ the balance at the beginning of the **Regulatory Accounting Period**;
- ▲ amounts set aside to provisions;
- ▲ expenditure charged to provisions;
- ▲ amounts written back from provisions;
- ▲ the net movement charged or credited to the profit and loss account; and
- ▲ the balance at the end of the **Regulatory Accounting Period**.

B.2.14.6 Work papers “Material Provisions” in Appendix B1A and B2 indicate how this information is to be disclosed.

Explanation

B.2.14.7 The **Commission** needs to understand the effect of provisions on costs disclosed by the **Regulatory Accounting Statements**.

B.2.14.8 This information assists the **Commission** to understand operating cash flows.

B.2.15 Related Party Transactions

B.2.15.1 A **Regulated Operator** shall inform **the Commission** of the extent and nature of the **Related Party Transactions** attributed to each **Regulated Business Segment** for a **Regulatory Accounting Period**.

B.2.15.2 As a minimum, a **Regulated Operator** shall report the total value of the transactions described in paragraph B.2.15.1, by Account Heading and provide descriptions of the transactions sufficient to provide an understanding of their underlying substance.

B.2.15.3 Additionally, a **Regulated Operator** shall report the value and provide a description of individual **Material Related Party Transactions** included in the **Regulatory Accounting Statements** of each **Regulated Business Segment**.

B.2.15.4 A **Regulated Operator** shall also provide such further detailed information on, or explanations of, transactions with Related Parties, as the **Commission** may from time to time, require.

B.2.15.5 The **Directors’ Responsibility Statement** shall include a specific affirmation that either:

- ▲ no **Material Related Party Transactions** arose; or
- ▲ the disclosure requirements of this paragraph B.2.22 have been complied with.

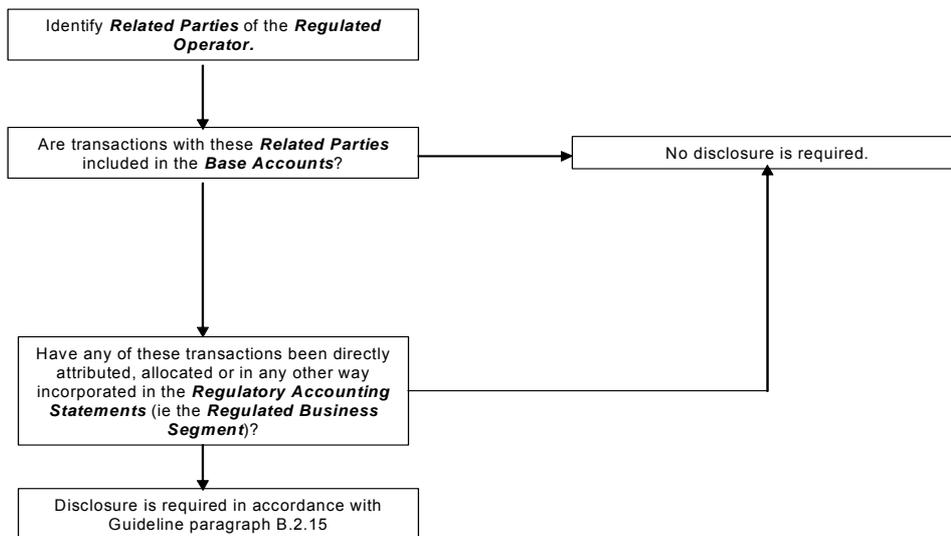
Explanation

B.2.15.6 The **Commission** needs to understand whether the **Regulatory Accounting Statements** reflect cross subsidisations between a **Regulated Operator** and **Related Parties**.



B.2.15.7 The following diagram illustrates the decision tree that a **Regulated Operator** should follow to determine whether disclosure is required under this paragraph B.2.15.

Related Party Transactions Decision Tree



B.2.16 Third Party Benefits

B.2.16.1 Where the **Regulatory Accounting Statements** record transactions associated with any subcontracting, purchase or other arrangements that cause:

- ▲ a **Regulated Operator**, or
- ▲ any **Related Party** of a **Regulated Operator**,

to enjoy a beneficial interest in income, or other value that accrues in the hands of a third party, a **Regulated Operator** shall disclose for each such arrangement:

- ▲ a description of the arrangement;
- ▲ its underlying purpose;

- ▲ details of the counterparty;
- ▲ details of the third parties;
- ▲ the monetary value of such transactions that arose in the ***Regulatory Accounting Period***;
- ▲ the basis of charge for the transaction entered into by a ***Regulated Operator***;
- ▲ the basis of calculation of the corresponding benefit received by a ***Regulated Operator*** or the ***Related Party***; and
- ▲ a summary of the associated accounting entries that have been recorded in the each ***Regulated Business Segment***.

B.2.16.2 The ***Directors' Responsibility Statement*** shall include a specific affirmation that either:

- ▲ no such transactions arose; or
- ▲ the disclosure requirements of paragraph B.2.16 have been complied with.

Explanation

B.2.16.3 The ***Commission*** needs to ensure that the substance of underlying transactions and events is reported.

APPENDIX B1A: FINANCIAL PERFORMANCE PROFORMAS (FLINDERS PORTS)

Financial Performance

Following is the Financial Performance requirements for **Regulated Operators** of **Proclaimed Ports**.

The following will be reported annually, within 4 months after the end of each **Regulatory Accounting Period** (unless otherwise agreed by the **Commission**). An audit of the **Regulatory Accounts Disaggregation Statement** should coincide with the **Regulated Operator's** annual statutory audit.

Disaggregation Statement
Profit and Loss Account
For the Period Ended []

Account Code or reference to Account Code	Description	Audited Accounts	Regulated Maritime Services \$'000	Other Business Activities \$'000	Not Allocated \$'000	Work- paper Reference
		\$'000	\$'000	\$'000	\$'000	
	Revenue (analysed as appropriate by Discretionary Heading)					
	Total Revenue					
	Costs (analysed as appropriate by Discretionary Heading)					
	Earnings before Interest and Tax (EBIT)					
	Interest and Dividend Income					
	Finance Charges					
	Profit/(Loss) Before Tax					
	Tax Charge					
	Profit/(Loss) After Tax					
	Dividend Paid					
	Retained Profit/(Loss)					

In addition it is mandatory to produce for each cost or revenue item that has been allocated to each **Regulated Business Segment** a supporting workpaper that includes the following:

- a) the amounts that have been directly attributed to each **Regulated Business Segment**
- b) the amounts that have been allocated to each **Regulated Business Segment**
- c) a description of the allocation basis
- d) the numeric quantity of each allocator



APPENDIX B1A: CONT.

Following the above **Disaggregation Statement**, the **Regulatory Accounts** package will provide a further breakdown of Income and Costs for **Regulated Services** by port, as per the tables below.

Disaggregation Statement
Profit and Loss Account [Regulated Services]
For the Period Ended []

Account Code or reference to Account Code	Description	Regulated Maritime Services	Berth Services	Navigation Services	Pilotage Services	Cargo Services	Work- paper Reference
		\$'000	\$'000	\$'000	\$'000	\$'000	
	Revenue (analysed as appropriate by <i>Discretionary Heading</i>)						
	Total Revenue						
	Costs						
	(analysed as appropriate by <i>Discretionary Heading</i>)						
	Earnings before Interest and Tax (EBIT)						
	Interest and Dividend Income						
	Finance Charges						
	Profit/(Loss) Before Tax						
	Tax Charge						
	Profit/(Loss) After Tax						
	Dividend Paid						
	Retained Profit/(Loss)						

In addition it is mandatory to produce for each cost or revenue item that has been allocated to each **Regulated Business Segment** a supporting workpaper that includes the following:

- the amounts that have been directly attributed to each **Regulated Business Segment**
- the amounts that have been allocated to each **Regulated Business Segment**
- a description of the allocation basis
- the numeric quantity of each allocator

APPENDIX B1A: CONT.

**Disaggregation Statement
Profit and Loss Account for the
Regulated Business Segment [Berth Services]
For the Period Ended []**

<i>Account Code</i> or reference to <i>Account Code</i>	Description	Berth Services	Pt Adelaide Berth 27	Walloo Berths	Pt Pirie	Pt Lincoln Berths	Pt Giles Berths	Thevenard Berths	Work- paper Ref
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	Revenue <i>(analysed as appropriate by Discretionary Heading)</i>								
	Total Revenue								
	Costs <i>(analysed as appropriate by Discretionary Heading)</i>								
	Earnings before Interest and Tax (EBIT)								
	Interest and Dividend Income								
	Finance Charges								
	Profit/(Loss) Before Tax								
	Tax Charge								
	Profit/(Loss) After Tax								
	Dividend Paid								
	Retained Profit/(Loss)								



APPENDIX B1A: CONT.

Disaggregation Statement
Profit and Loss Account for the
Regulated Business Segment [Navigation Services]
For the Period Ended []

Account Code or reference to Account Code	Description	Navigation Services	Pt Adl	Wallaroo	Pt Pirie	Pt Lincoln	Pt Giles	Thevenard	Work- paper Ref
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	Revenue (analysed as appropriate by <i>Discretionary Heading</i>)								
	Total Revenue								
	Costs (analysed as appropriate by <i>Discretionary Heading</i>)								
	Earnings before Interest and Tax (EBIT)								
	Interest and Dividend Income								
	Finance Charges								
	Profit/(Loss) Before Tax								
	Tax Charge								
	Profit/(Loss) After Tax								
	Dividend Paid								
	Retained Profit/(Loss)								

APPENDIX B1A: CONT.

**Disaggregation Statement
Profit and Loss Account for the
Regulated Business Segment [Pilotage]
For the Period Ended []**

Account Code or reference to Account Code	Description	Total Pilotage	Port Adelaide	Wallaroo	Port Pirie	Port Lincoln	Port Giles	Thevenard	Work- paper Ref
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	Revenue <i>(analysed as appropriate by Discretionary Heading)</i>								
	Total Revenue								
	Costs <i>(analysed as appropriate by Discretionary Heading)</i>								
	Earnings before Interest and Tax (EBIT)								
	Interest and Dividend Income								
	Finance Charges								
	Profit/(Loss) Before Tax								
	Tax Charge								
	Profit/(Loss) After Tax								
	Dividend Paid								
	Retained Profit/(Loss)								



APPENDIX B1A: CONT.

**Disaggregation Statement
Profit and Loss Account for the
Regulated Business Segment [Cargo Services]
For the Period Ended []**

<i>Account Code</i> or reference to <i>Account Code</i>	Description	Cargo Services	Pt Adl	Wallaroo	Pt Pirie 2	Pt Lincoln	Pt Giles	Thevenard	Work- paper Ref
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	Revenue (<i>analysed as appropriate by Discretionary Heading</i>)								
	Total Revenue								
	Costs (<i>analysed as appropriate by Discretionary Heading</i>)								
	Earnings before Interest and Tax (EBIT)								
	Interest and Dividend Income Finance Charges								
	Profit/(Loss) Before Tax								
	Tax Charge								
	Profit/(Loss) After Tax								
	Dividend Paid								
	Retained Profit/(Loss)								

APPENDIX B1A: CONT.

Aloc 1

Workpaper supporting disaggregation statements
Causal allocation
For the period ended []

A copy of this workpaper is to be produced for each causal basis that has been used to allocate costs between *Regulated Business Segments*.

1. Causal basis of allocation

2. Complete the table set out below to indicate:
- the *Account Headings* and the amounts subject to this Causal basis; and
- the description and quanta of allocator that has been used

Account code or reference to account code	Account Heading	Regulated Maritime Services	Other, Non- Regulated Services	Not Allocated	Total
--	--------------------	-----------------------------------	--------------------------------------	------------------	-------

*For each **Account Heading** that has been allocated on this basis, provide the following information*

Numeric quantity of allocator (*eg no of ship visits*)

Corresponding cost allocation

3. Provide a detailed description and explanation of the basis of allocation:



APPENDIX B1A: CONT.

Following the above summary Profit and Loss Account by berth and by port, a supporting Workpaper for each provision carried on a **Regulated Operator's** Statement of Financial Position will be provided as per the following table:

**Workpaper Supporting Disaggregation Statement
Summary of Provisions
For the Period Ended []**

	Regulated Maritime Services	Other Business Activities	Not Allocated	Total
	\$'000	\$'000	\$'000	\$'000
Balance at Start of Period				
Amounts set aside to provisions				
Expenditure incurred debited to provisions				
Amounts written back from provisions				
Balance at End of Period				
Comprising:				
Current Provisions				
Non-current Provisions				
Total per Balance Sheet				

In addition it is mandatory to produce for each cost or revenue item that has been allocated to each **Regulated Business Segment** a supporting workpaper that includes the following:

- the amounts that have been directly attributed to each **Regulated Business Segment**
- the amounts that have been allocated to each **Regulated Business Segment**
- a description of the allocation basis
- the numeric quantity of each allocator

The basis of attribution of provisions to each **Regulated Business Segment**, should follow the attribution of the expenses to which they relate.

Taxation, interest and dividend provisions should be attributed to the **Not Allocated Segment**.

APPENDIX B1A: CONT.

Following the above Summary of Provisions a **Regulated Operator** shall provide a further breakdown for all **Material Provisions** as per the following table.

Workpaper Supporting Disaggregation Statement
Material Provisions
For the Period Ended []

	<i>Discretionary Heading for each Material Provision</i>			Not Allocated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at Start of Period					
Amounts set aside to provisions					
Expenditure incurred debited to provisions					
Amounts written back from provisions					
Balance at End of Period					
Comprising:					
Current Provisions					
Non-current Provisions					
Total per Balance Sheet					

In addition it is mandatory to produce for each cost or revenue item that has been allocated to each **Regulated Business Segment** a supporting workpaper that includes the following:

- a) the amounts that have been directly attributed to each **Regulated Business Segment**
- b) the amounts that have been allocated to each **Regulated Business Segment**
- c) a description of the allocation basis
- d) the numeric quantity of each allocator

Financial Statistics

The following financial performance statistics shall be included in the form of a table in the annual **Regulatory Accounting Statements** package:

- ▲ Average Berth Services Revenue per vessel for the Regulatory Accounting Year, by port
- ▲ Average Navigation Services Revenue per vessel for the Regulatory Accounting Year, by port
- ▲ Average Costs for Berth Services per vessel for the Regulatory Accounting Year, by port
- ▲ Average Costs for Navigation Services Revenue per vessel for the Regulatory Accounting Year, by port

APPENDIX B2: FINANCIAL PERFORMANCE PROFORMAS (BULK HANDLING FACILITIES)

Financial Performance

Below are the Financial Performance measures for **Regulated Operators** of Bulk Handling Facilities (hereinafter referred to as BLPs).

The following will be reported annually, within 4 months after the end of each **Regulatory Accounting Period** (unless otherwise agreed by **the Commission**). An audit of the **Regulatory Accounts Disaggregation Statement** should coincide with the **Regulated Operator's** annual statutory audit.

Disaggregation Statement
Profit and Loss Account
For the Period Ended []

Account Code or reference to Account Code	Description	Audited Accounts	Bulk Handling Facilities	Other Business Activities	Not Allocated	Work- paper Reference
		\$'000	\$'000	\$'000	\$'000	
	Revenue (analysed as appropriate by Discretionary Heading)					
	Total Revenue					
	Costs (analysed as appropriate by Discretionary Heading)					
	Earnings before Interest and Tax (EBIT)					
	Interest and Dividend Income Finance Charges					
	Profit/(Loss) Before Tax					
	Tax Charge					
	Profit/(Loss) After Tax					
	Dividend Paid					
	Retained Profit/(Loss)					

In addition it is mandatory to produce for each cost or revenue item that has been allocated to each **Regulated Business Segment** a supporting workpaper that includes the following:

- a) the amounts that have been directly attributed to each **Regulated Business Segment**
- b) the amounts that have been allocated to each **Regulated Business Segment**
- c) a description of the allocation basis
- d) the numeric quantity of each allocator



APPENDIX B2: CONT.

Following the above **Disaggregation Statement**, the **Regulatory Accounting Statements** package will provide a further breakdown of BLP Income and Costs for BLP operations by port, as per the table below.

Disaggregation Statement
 Profit and Loss Account for the
 Regulated Business Segment
 For the Period Ended []

Account Code or reference to Account Code	Description	Bulk Handling Facilities	Port Adelaide	Port Giles	Wallaroo	Port Pirie	Port Lincoln	Thevenard	Outer Harbor	Work- paper Reference
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	Revenue (analysed as appropriate by Discretionary Heading)									
	Total Revenue									
	Costs (analysed as appropriate by Discretionary Heading)									
	Earnings before Interest and Tax (EBIT)									
	Interest and Dividend Income Finance Charges									
	Profit/(Loss) Before Tax									
	Tax Charge									
	Profit/(Loss) After Tax									
	Dividend Paid									
	Retained Profit/(Loss)									

Examples of costs which are expected to be directly attributable to BLPs are:

- ▲ Labour
- ▲ Loading ships
- ▲ Other
- ▲ Repairs & Maintenance
- ▲ Depreciation
- ▲ Electricity

Examples of costs which are expected to be indirectly attributable to BLPs are:

- ▲ Rates & Taxes

- ▲ Insurance
- ▲ Plant Manager Salary
- ▲ Plant Administration Wages

An appropriate amount of Corporate Overhead may be allocated to BLPs on the basis of the proportion of revenue generated by BLPs as compared to a **Regulated Operator's** total revenue.

Following the above summary Profit and Loss Account by port, a supporting Workpaper for each provision carried on the **Regulated Operator's** Statement of Financial Position will be provided as per the following table.

Workpaper Supporting Disaggregation Statement
Summary of Provisions
For the Period Ended []

	Bulk Handling Facilities	Other Business Activities	Not Allocated	Total
	\$'000	\$'000	\$'000	\$'000
Balance at Start of Period				
Amounts set aside to provisions				
Expenditure incurred debited to provisions				
Amounts written back from provisions				
Balance at End of Period				
Comprising:				
Current Provisions				
Non-current Provisions				
Total per Balance Sheet				

In addition it is mandatory to produce for each cost or revenue item that has been allocated to each **Regulated Business Segment** a supporting workpaper that includes the following:

- a) the amounts that have been directly attributed to each **Regulated Business Segment**
- b) the amounts that have been allocated to each **Regulated Business Segment**
- c) a description of the allocation basis
- d) the numeric quantity of each allocator

The basis of attribution of provisions to each **Regulated Business Segment**, should follow the attribution of the expenses to which they relate.

Taxation, interest and dividend provisions should be attributed to the **Not Allocated Segment**.



APPENDIX B2: CONT.

Following the above Summary of Provisions a **Regulated Operator** shall provide a further breakdown for all **Material Provisions** as per the following table.

Workpaper Supporting Disaggregation Statement
Material Provisions
For the Period Ended []

	Discretionary Heading for each Material Provision			Not Allocated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at Start of Period					
Amounts set aside to provisions					
Expenditure incurred debited to provisions					
Amounts written back from provisions					
Balance at End of Period					
Comprising:					
Current Provisions					
Non-current Provisions					
Total per Balance Sheet					

In addition it is mandatory to produce for each cost or revenue item that has been allocated to each **Regulated Business Segment** a supporting workpaper that includes the following:

- the amounts that have been directly attributed to each **Regulated Business Segment**
- the amounts that have been allocated to each **Regulated Business Segment**
- a description of the allocation basis
- the numeric quantity of each allocator

Financial Statistics

The following financial performance statistics will be included in the form of a table in the annual **Regulatory Accounting Statements** package:

- Average revenue per tonne loaded for the **Regulatory Accounting Year**, by commodity and by BLP
- Average total costs per tonne (excluding Corporate Overhead) loaded for the **Regulatory Accounting Year**, by BLP

The above table will detail the components of the calculation for each measure, ie. Total tonnes loaded by commodity and BLP, total revenue by commodity and BLP and total costs (excluding Corporate Overhead).

APPENDIX B3: EXAMPLE RESPONSIBILITY STATEMENTS

Proforma Directors' Responsibility Statement

DIRECTORS' RESPONSIBILITY STATEMENT

In the opinion of the Directors of [*the Regulated Operator*]:

- ▲ the Regulatory Accounting Statements set out on pages [x] to [y] are drawn up so as to present fairly in accordance with the requirements of the Regulatory Information Requirements ("the Guideline") issued by the Essential Services Commission of South Australia, dated [version date].
- ▲ the results of each Regulated Business Segment for the Regulatory Accounting Period ended [*period end*];
- ▲ information concerning the provisions at [*period end*], of each Regulated Business Segment;
- ▲ information concerning all Related Party Transactions required by paragraph B.2.15 of the Guideline; [*delete if inapplicable*];
- ▲ information concerning all Third Party benefit Transactions required by paragraph B.2.16 of the Guideline; [*delete if inapplicable*] and
- ▲ no Related Party Transactions arose during the Regulatory Accounting Period that require disclosure under paragraph B.2.15 of the Guideline [to be deleted only if disclosure is confirmed above];
- ▲ no Third Party Benefit Transactions arose during the Regulatory Accounting Period that require disclosure under paragraph B.2.16 of the Guideline [to be deleted only if disclosure is confirmed above]; and

The terms and definitions used in this statement accord with the definitions set out in the Regulatory Information Requirements referred to above.

Signed in accordance with a resolution of Directors, which occurred {insert date}:

[*Name of director*] Dated

Director

[*Name of director*] Dated Director



APPENDIX B3: CONT.

Proforma Responsibility Statement

RESPONSIBILITY STATEMENT

To the Chairperson
ESCOSA
GPO Box 2605
ADELAIDE SA 5001

Dear Sir

Operational Performance Report for the period ended [insert date].

Declaration: I declare that the Operational Performance and Statistical information contained in this report to the Essential Services Commission of South Australia for the period [*insert period*] is true and correct.

Signed

[Name of Chief Financial Officer] Dated [insert date]

Chief Financial Officer

APPENDIX B4: EXAMPLE AUDITOR'S REPORTS

Example Auditor's report on a Special Purpose Financial Report

INDEPENDENT AUDIT REPORT

To the Chairperson
ESCOSA
GPO Box 2605
Adelaide SA 5001

Scope

We have audited the Regulatory Accounting Statements of [*the Regulated Operator*] for the Regulatory Accounting Period ended [*insert date*]. The Regulatory Accounting statements are a special purpose financial report consisting of the profit and loss account, provisions, and accompanying notes, set out on pages [] to []. [*The Regulated Operator*]'s directors are responsible for the preparation and presentation of the Regulatory Accounting Statements and the information they contain. The Directors have determined that the accounting principles and policies used are appropriate to meet the requirements of the Regulatory Information Requirements. We have conducted an independent audit of the Regulatory Accounting Statements in order to express an opinion on them to the [*Essential Services Commission of South Australia [and the Directors]*] on their preparation and presentation and on their compliance with the requirements of the Essential Services Commission of South Australia (as set out in the Regulatory Account Guideline). No opinion is expressed as to whether the accounting principles and policies used are appropriate to the needs of the members.

The Regulatory Accounting Statements have been prepared for the purpose of fulfilling the requirements of the Essential Services Commission of South Australia. This report is prepared for submission to the Essential Services Commission of South Australia [*and for the Disclosure of [the Regulated Operator]*] and is not to be used for any other purpose than that specified herein. We disclaim any assumption of responsibility for any reliance on this report, or on the Regulatory Accounting Statements to which it relates, to any person other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the Regulatory Accounting Statements, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an



opinion as to whether, in all material respects, the Regulatory Accounting Statements are presented fairly in accordance with the Regulatory Accounting Principles and Policies and the requirements of the Essential Services Commission of South Australia. These Regulatory Accounting Principles and Policies do not require the application of all Accounting Standards nor other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the Regulatory Accounting Statements presents fairly in accordance with the requirements of the Essential Services Commission of South Australia the results of the financial performance of [*the Regulated Operator*] for the period ended [*period end*], and the provisions carried on its Statement of Financial Position as at that date.

Yours faithfully

[*Name of Auditor*]

Chartered Accountants

[*Name of signatory*]

[*Position of signatory*]

[*Date*]

APPENDIX B4: CONT.

Example Independent Review Report

INDEPENDENT REVIEW REPORT

To the Chairperson
ESCOSA
GPO Box 2605
Adelaide SA 5001

Scope

We have reviewed the Regulatory Accounting Statements of [the Regulated Operator] for the Regulatory Accounting Period ended [*insert date*]. [*The Regulated Operator*]'s directors are responsible for the preparation and presentation of the Regulatory Accounting Statements and the information contained therein. We have performed the review of the Regulatory Accounting Statements in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the Regulatory Accounting Statements are not presented fairly in accordance with the requirements of the Essential Services Commission of South Australia.

The Regulatory Accounting Statements have been prepared for the purpose of fulfilling the requirements of the Essential Services Commission of South Australia. This report is prepared for submission to the Essential Services Commission of South Australia [*and for the Directors of [the Regulated Operator]*] and is not to be used for any other purpose than that specified herein. We disclaim any assumption of responsibility for any reliance on this report, or on the Regulatory Accounting Statements to which it relates, to any person other than that for which it was prepared.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, do not express an audit opinion.



Statement

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Regulatory Accounting Statements of [*the Regulated Operator*] for the period [*insert date*], ended period end, does not fairly present the Regulatory Information in accordance with the Regulatory Information Requirements.

Yours faithfully

[*Name of Auditor*]

Chartered Accountants

[*Name of signatory*]

[*Position of signatory*]

[*Date*]

APPENDIX B4: CONT.

Example Report of Factual Findings from Agreed-Upon Procedures

REPORT ON FACTUAL FINDINGS

To the Chairperson
ESCOSA
GPO Box 2605
Adelaide SA 5001

Scope

We have performed the procedures agreed with you as detailed in the written instructions of [date] and described below with respect to the Regulatory Accounting Statements of [Regulated Operator] for the period ending [date] set forth in the attached schedules [describe and reference the schedules]. Our engagement was undertaken in accordance with Australian Auditing Standards applicable to agreed-upon procedures engagements. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of [those who engaged the auditor, ie the Essential Services Commission of South Australia]. The procedures were performed solely to assist you in evaluating [eg. the compliance of [Regulated Operator] with paragraphs [detail paragraphs considered] of the Ports Access Regime, Regulatory Account Guideline [Title] (“Guideline”) and are summarised as follows:

- [Agreed upon procedure]
- [Agreed upon procedure]
- [Agreed upon procedure]

Because the above procedures do not constitute either an audit in accordance with Australian Auditing Standards or a review in accordance with Australian Auditing Standards applicable to review engagements, we do not express any assurance on the Regulatory Accounting Statements of [the Regulated Operator]. Had we performed additional procedures or had we performed an audit in accordance with Australian Auditing Standards or a review in accordance with Australian Auditing Standards applicable to review engagements, other matters might have come to our attention that would have been reported to you.



Findings

We report as follows:

(a) With respect to 1 above ...

(b) With respect to 2 above ...

(c) With respect to 3 above ...

[Detail any exceptions noted]

Our report is solely for the purpose set forth in the first paragraph of this report and for submission to the Essential Services Commission of South Australia and is not to be used for any other purpose or distributed to any other party. This report refers only to the accounts and items specified above and does not extend to any financial report of *[the Regulated Operator]*, taken as a whole.

Yours faithfully

[Name of Auditor]

[Chartered Accountants]

[Name of signatory]

[Position of signatory]

[Date]

APPENDIX 2: GLOSSARY

This Guideline utilises the following definitions.

Access Seeker means a person who seeks the provision of a **Regulated Service**.

Account Codes means the nomenclature used to index the **Base Account Records**. General ledger codes or activity codes may be examples.

Agreed-upon Procedures Report means an agreed-upon procedure engagement report, prepared in accordance with Australian Auditing Standards AUS904. The objective is for the **Auditor** to carry out procedures of an audit nature specified by **the Commission** and to report on factual findings.

Arbitrator means a person appointed under the **Ports Access Regime** to arbitrate a solution to an access dispute. **The Commission** may act as the arbitrator, or may select another person to act in that role.

Audit Report on a Special Purpose Financial Report means an audit report on the **Regulatory Accounting Statements** prepared in accordance with Australian Auditing Standards AUS802, and in accordance with a financial reporting framework such as the Regulatory Information Requirements, other than Accounting Standards and UIG Consensus Views.

Auditor means a registered company Auditor independent of the **Regulated Operator**. For the purposes of this guideline, an **Auditor** engaged and remunerated by **Directors** to report on **Regulatory Accounting Statements**, is also a Reporter.

Base Account Records means the accounting records maintained by a **Regulated Operator** regardless of any regulatory reporting requirement, for the purposes of preparing **Base Accounts** and providing the managers of a **Regulated Operator** with management reports.

Base Accounts means **General Purpose Financial Statements** that:

- contain the entirety of the activities of a **Regulated Operator's Regulated Business Segment**,
- are consolidated or aggregated where appropriate; and
- are prepared in accordance with:
 - the Australian Corporations Act;
 - Australian Accounting Standards; and



- Urgent Issues Group consensus views; and
- are audited under Australian Auditing Standards,

Berth means berths identified directly or indirectly in the proclamation of **Regulated Services** under the **MSA Act**. Some berths identified may be grouped for ease of reporting as agreed by **the Commission**.

Books include accounts or accounting records, however compiled, recorded or stored.

Causal or Causation, Basis or Relationship means in relation to a basis of allocation, that the allocator is a trigger of the consumption or utilisation of resources or services represented by the amounts, subject to allocation.

CFO means the Chief Financial Officer of a **Regulated Operator**.

Directly Attributable or **Directly Attributed**. An item is **Directly Attributable** or **Directly Attributed** to an object such as a **Regulated Business Segment**, if it is wholly and exclusively associated with that object.

Director means a Director of a **Regulated Operator**.

Directors' Responsibility Statement means a statement signed and dated by the **Chief Executive Officer** and a **Non-Executive Director** of a **Regulated Operator** which states whether in the **Directors'** opinion, the **Regulatory Reporting Statements**:

- present fairly the revenue and costs information required by this Guideline, of each **Regulated Business Segment** for the **Regulatory Accounting Period**;
- have been made out in accordance with applicable and appropriate accounting principles and policies; and
- have been prepared in accordance with **the Commission's** requirements.

Disaggregation Statement means a statement that comprises a **Regulated Operator's Base Accounts** disaggregated between **Regulated Business Segments**.

Discretionary Heading means an **Account Heading** within the pro forma **Regulatory Accounting Statements** that may be defined by a **Regulated Operator** as agreed with **the Commission**.

Entity means a corporate body, business or economic unit, or segment thereof.

ESC Act means the *Essential Services Commission Act 2002*.

ESCOSA means the Essential Services Commission.

Essential Maritime Services means a maritime service consisting of

- a) providing or allowing for access of vessels to a proclaimed port; or
- b) providing port facilities for loading or unloading vessels at a proclaimed port; or
- c) providing berths for vessels at a proclaimed port;

and which are subject to price regulation under the Part 2 of the **MSA Act.**

First Regulatory Accounting Statements means the first **Regulatory Accounting Statements** prepared for the first **Regulatory Accounting Period** starting on or after 1 July 2002.

General Purpose Financial Statements means financial statements that are prepared in accordance with Australian Accounting Standards and other generally accepted accounting practices and are intended to meet the information needs common to users who are unable to command the preparation of reports tailored to satisfy specifically, all of their information needs.

Immaterial means not **Material**.

Inter Segmental Cost means a cost that arises from transactions between **Regulated Business Segments**.

Inter Segmental Income means income that arises from transactions between **Regulated Business Segments**.

Inter Segmental Transaction means an **Inter Segmental Cost** or an **Inter Segmental Income**.

Mandatory Heading means a mandatory Account Heading within the pro forma **Regulatory Accounting Statements**.

Maritime Services means a service provided on a commercial basis of any of the following kinds:

- a) providing or allowing for access of vessels to a proclaimed port;
- b) a pilotage services facilitating access to a proclaimed port;
- c) providing berths for vessels at a proclaimed port;
- d) providing port facilities for loading or unloading vessels at a proclaimed port;
- e) providing for the storage of goods at a proclaimed port; and
- f) providing access to land in connection with the provision of services of any of the kinds mentioned above;



but does not include

- g) a towage service for facilitating access to a proclaimed port;
- h) a bunkering service provided at a proclaimed port;
- i) a service for the provisioning of vessels (including the supply of electricity and water) within a proclaimed port; or
- j) a service for the removal of waste from vessels at a proclaimed port

Material has the meaning set out at paragraph 2.3 of this Guideline.

Material Provision means a provision other than a provision for:

- income tax;
- deferred taxation;
- dividends payable or receivable; or
- interest payable or receivable;

included in the provisions reported by the **Base Accounts**, which either at the beginning or end of an accounting period, had a balance representing either:

- 5% or more of the total expenditure in that Account Heading; or
- 10% or more of the total provisions in the balance sheet of a **Regulated Business Segment**.

For the purposes of determining a **Material Provision**, all provision accounts for expenses of a similar nature or brought about by a similar cause, within the **Regulated Business Segment** shall be aggregated and treated as if they are components of a single provision.

Material Related Party Transaction means a transaction or a number of transactions intended to achieve a common commercial effect, conducted with a **Related Party** that had a value representing 5% or more of the total expenditure in that **Account Heading** in a **Regulatory Accounting Period**.

A **Member of the Audit Committee** is a member of a **Regulated Operator's** Audit Committee.

MSA Act means the *Maritime Services (Access) Act 2000*.

A **Non Causal** or **Non Causation, Basis** or **Relationship** in relation to a basis of allocation, is one that is other than a **Causal** or **Causation, Basis** or **Relationship**.

A **Non-Executive Director** is a **Director** of a **Regulated Operator** who is not a member of the management team or involved in the day to day operations of the **Regulated Operator's** business.

Not allocated means the content of those Account Headings that are not required by this Guideline to be allocated between **Regulated Business Segments**.

Notes to and forming part of, the Regulatory Accounting Statements means the information provided by the **Regulatory Accounting Statements** in addition to the primary statements specified by Appendix B1A and B2 of this Guideline, together with any further information that a **Regulated Operator** believes is necessary to convey a full and proper understanding of the financial affairs of the **Regulated Business Segment**.

Ports Access Regime is the access regime established under Part 3 of the **MSA Act**.

Ports Access Review means the review required under Section 43 of the **MSA Act**.

Proclaimed Ports mean those ports declared by proclamation to be subject to the **MSA Act**.

Regulated Business Segments means those parts of the total business reported by the **Base Accounts** that involve the provision of **Regulated Services**.

The **Regulated Industry** means the industry involved in or related to the provision of **Regulated Services**.

Regulated Operator means a person who is subject to the **Ports Access Regime**.

Regulated Services means services declared by proclamation to be regulated services under the **MSA Act**.

Regulatory Accounting Date means the end date of a **Regulatory Accounting Year**.

Regulatory Accounting Period means a period on which a single set of **Regulatory Accounting Statements** reports.

Regulatory Accounting Principles and Policies means accounting principles and policies that have been used to prepare **Regulatory Accounting Statements** that may be additional to or in place of, the accounting principles and policies used to prepare **Base Accounts**.

Regulatory Accounting Statements for the purpose of this Guideline means the:

- analysis of revenue and costs attributed to **Regulated Services**; and



- **Notes to and forming part of, the Regulatory Accounting Statements.**

Regulatory Accounting Year is the twelve month period ending on 30 June each year or ending on another date as agreed by **the Commission**.

Regulatory Accounts means separate accounts and records kept by **Regulated Operators** for **Regulated Services** as required by Section 42(3) of the **MSA Act**.

Regulatory Audit Report means an **Auditor's** report on **Regulatory Accounting Statements**. A **Regulatory Audit Report** may include:

- an **Audit Report on a Special Purpose Financial Report**, or
- an **Agreed-upon Procedures Report**, or
- a **Review Report**.

Regulatory Reporting Statements means any regulatory reports prepared by the **Regulated Operator** and submitted to **the Commission** in accordance with this Guideline.

A **Related Party** is any other **entity** that at any time during a **Regulatory Accounting Period**:

- had control or significant influence over the **Regulated Operator**, or
- was subject to control or significant influence by the **Regulated Operator**, or
- was controlled by the same **entity** that controls the **Regulated Operator**, or
- was controlled by the same **entity** that significantly influences the **Regulated Operator**; or
- was significantly influenced by the same **entity** that controls the **Regulated Operator**.

Responsibility Statement means statement signed and dated by a Senior Officer (ie. **CFO**) of a **Regulated Operator** evidencing responsibility for information provided to **the Commission**.

Review Report means a review of a financial report, prepared in accordance with Australian Auditing Standards AUS902. An **Auditor** should carry out procedures sufficient to enable an **Auditor** to state whether, on the basis of procedures which do not provide all the evidence that would be required in an audit, anything has come to the **Auditor's** attention that causes the **Auditor** to believe that the financial report is not prepared, in all material respects, in accordance with an identified financial reporting framework, eg **the Commission's** guidelines. The review report contains a clear written expression of negative assurance.

The Commission means the Essential Services Commission of South Australia.

Utilisation means effective use in delivering **Regulated Services**.

Volatility of Regulated Services means the variation in the rates of capacity and utilisation of those services.